

## **Policy Regarding Disclosure of Third Party Representation of Nebraska Investment Council Investment Managers**

The Nebraska Investment Council (NIC) members, employees and consultants are subject to numerous legal requirements intended to ensure their ethical conduct, their compliance with their fiduciary responsibilities, and to prevent conflicts of interest. To ensure the strict compliance with these legal requirements the NIC has adopted a “Code of Ethics, Policy on Conflicts of Interest and Council Procedures”. The purpose of this Policy Regarding Third Party Representation of NIC’s Investment Managers (‘Third Party Representation Disclosure Policy’) is to make certain that consultants and managers doing business with NIC adhere to a similar standard and to enhance the transparency of the investment decision-making process by requiring broad, timely and updated disclosure of the existence of any relationships between NIC’s investment managers and individuals or entities serving as a compensated representative of the investment manager for the purpose of securing an investment by NIC (‘Third Party Representatives’). The goal of the Third Party Representation Disclosure Policy is to help ensure that investment decisions are made solely on the merits of the investment opportunity, are reasonable and prudent from a fiduciary perspective, and are consistent with NIC’s investment policies and objectives.

### **DEFINITION OF THIRD PARTY REPRESENTATIVE**

For purposes of the Third Party Representation Disclosure Policy, a Third Party Representative is defined as follows: Any person or entity hired, engaged by, or acting on behalf of an investment manager as a finder, solicitor, placement agent, marketer, consultant, broker or other intermediary to raise money or solicit investment funding from or to obtain access to NIC, either directly or indirectly.

### **APPLICATION OF THE THIRD PARTY REPRESENTATION POLICY**

The Third Party Representation Disclosure Policy shall apply to all current and prospective external NIC investment managers and investment partners engaged or being considered by NIC for investment management services (‘Investment Managers’ and ‘Manager Candidates’, respectively).

### **RESPONSIBILITIES**

#### **A. Investment Managers and Manager Candidates shall:**

1. Provide the following information (collectively, the ‘Third Party Representation Disclosure Information’) to NIC (i) at the time investment discussions are initiated, and (ii) promptly upon request of the NIC:
  - a. Whether the Investment Manager or Manager Candidate, or any of their principals, agents or affiliates, has compensated or agreed to compensate, directly or indirectly, any Third Party Representative in connection with any investment or proposed investment by NIC.
  - b. A resume for each officer, partner, or principal of the Third Party Representative detailing the education, professional designations, regulatory licenses and investment and work experience. It should be specifically noted if any such individual is a current or former NIC member, employee or consultant, or a member of the immediate family of any such person.
  - c. A description of any and all compensation of any kind provided or agreed to be provided to the Third party Representative, including the nature, timing, and value thereof.

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- d. A description of the services to be performed by the Third Party Representative.
  - e. A statement as to whether the Third Party Representative is utilized by the Investment Manager or Manager Candidate with all clients or prospective clients or with only a subset of clients or prospective clients.
  - f. Whether any current or former NIC member, employee or consultant suggested the retention of the Third Party Representative, and, if so, the identity of such person.
  - g. Whether the Third Party Representative or any of its affiliates are registered with the Securities and Exchange Commission or the Financial Industry Regulatory Association, or any similar regulatory agency in a country other than the United States, the details of such registration, or an explanation of why no registration is required.
  - h. Whether the Third Party Representative or any of its affiliates is registered as a lobbyist with any state or national government.
2. Provide an update of any changes to the Third Party Representation Disclosure Information within thirty (30) days of the occurrence of the change in such information.
  3. Agree to incorporate compliance with the Third Party Representation Disclosure Policy in the investment management engagement with NIC.
  4. Fully cooperate with NIC staff in monitoring and assuring compliance with the Third Party Representation Disclosure Policy.

**B. NIC staff shall:**

1. Assure that an agreement to comply with the Third Party Representation Disclosure Policy is incorporated in all current and future investment management engagements.
2. Assure that all existing Investment Managers complete and submit the Third Party Representation Disclosure Information to NIC in a timely manner.
3. Assure that a Manager Candidate completes and submits the Third Party Representation Disclosure Information to NIC prior to the presentation of the Manager Candidate to the NIC for consideration for an investment management engagement.
4. Confirm that the Investment Manager or Manager Candidate is solely responsible for any fees, compensation or expenses for any Third Party Representative and that NIC will not pay any such items either directly or indirectly.
5. Provide the NIC with the Third Party Representation Disclosure Information prior to any investment decision by the NIC with respect to the Investment Manager or Manager Candidate.
6. Promptly advise the NIC of any material violation of the Third Party Representation Disclosure Policy.
7. Compile a quarterly report regarding the names and amount of compensation paid to Third Party Representatives by each Investment Manager.

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- C. In the event of a material omission or inaccuracy in the Third Party Representation Disclosure Information, or any other material violation of the Third Party Representation Disclosure Policy the Investment Manager will be subject to:
1. Termination of the investment management engagement without penalty, or withdrawal without penalty from the limited partnership, limited liability company, or other investment vehicle, or suspension of any further capital contributions (and any fees on such re-called commitments) to limited partnership, limited liability company, or other investment vehicle.
  2. A prohibition on the Investment Manager, Manager Candidate or Third Party Representative from soliciting new investments from NIC for twenty-four (24) months.

The NIC may, in its sole discretion, apply either or both provisions above in any given case based on the nature of the violation of the Third Party Representation Disclosure Policy and any other considerations.

- D. All parties responsible for implementing, monitoring and complying with the Third Party Representation Disclosure Policy should consider the spirit as well as the literal expression of the Policy. In cases where there is uncertainty whether a disclosure should be made pursuant to the Third Party Representation Disclosure Policy, such cases should be interpreted to require disclosure.